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Chairwoman Stabenow: Focus on Principles, Not Programs in Writing 2012 Farm Bill

Stabenow Discusses Approach for Reauthorizing Farm Bill at USDA Outlook Forum

Washington, DC – U.S. Sen. Debbie Stabenow, D-Mich., Chairwoman of the U.S. Senate Committee on Agriculture, Nutrition and Forestry, said that as the Committee begins focusing on the 2012 Farm Bill, she will urge members and stakeholders to first focus on the guiding principles of the Farm Bill, rather than specific programs.

“As we look at the next Farm Bill, we need to make the best use of our limited dollars, and make sure we're using them on programs and policies that work for production agriculture today,” Stabenow said. “As we get started writing this bill, I'm going to ask members of the Committee and the stakeholders – all of you here today – to focus on principles, not programs. We should start with principles that will guide us as we evaluate what works and what doesn't in today's economy and for the unique needs facing our farmers today.”

Stabenow made the comments to growers, ranchers and other stakeholders at the U. S. Department of Agriculture's Outlook Forum in Crystal City, Va., highlighting the upcoming Farm Bill as a major opportunity to create jobs.

Chairwoman Stabenow said her first principle was, “creating the best safety net and the best tools for managing risk.”

“We have farmers sinking almost \$300 per acre into the ground in the spring in the hopes that it will produce a valuable crop six months later,” Stabenow said. “We need an effective safety net so that we aren't watching family businesses go under because of a few days of bad weather or market factors outside of their control.”

In addition to a strong safety net, Chairwoman Stabenow said the Farm Bill process will emphasize the need for smarter, simpler and streamlined programs.

“You do not have the time to fill out a lot of paperwork or to try and understand a myriad of complex – sometimes conflicting – programs, much less try to explain them to bankers and landlords,” Stabenow said. “We can provide better service to farmers while also reducing their costs and respecting their time.”

Other principles Chairwoman Stabenow laid out include emphasis on research and innovation, preserving and protecting our land and water, common-sense environmental

regulations, safe and nutritious food, creating new opportunities in energy, investing in rural communities and the next generation, and emphasizing openness.

“Most importantly, I will be guided by the principle that our farmers and ranchers know better than anyone else what works for them,” Stabenow said. “I am very committed to a process and an end-product that continues to build on the strengths and successes of today’s agriculture and the talents of everyone in this room and across our country.”

Other speakers at the Forum included former President Bill Clinton and USDA Secretary Tom Vilsack.

More information on the Outlook Forum can be found by visiting <http://www.usda.gov/occe/forum/>. Stabenow’s full remarks are included below.

Remarks as Prepared for Delivery

*Senator Debbie Stabenow, Chairwoman, U.S. Senate Committee on Agriculture,
Nutrition and Forestry
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Crystal City, VA*

Thank you so much, Secretary Vilsack.

I'm so proud to represent the Great State of Michigan, where we know how to build things and grow things. Agriculture is incredibly important to Michigan's economy -- I know a lot of you probably think of cars when you think of Michigan. And that's great, because we're making some incredible cars and trucks!

But we also have the most crop diversity in the country, beside California, producing over 125 different food and fiber products on over 10 million acres of farmland. Michigan agriculture contributes more than \$70 billion to our economy each year, and represents one out of every four jobs in our state. You can't be from Michigan and not see everything from the standpoint of jobs. That's why, for me, the Farm Bill is really a Jobs Bill.

The very first Farm Bill, back in 1933, was written under very different circumstances, and went in a very different direction that we would consider today. The country was in the grip of the Great Depression. Food prices were so low that farmers burned their crops for fuel. The Dust Bowl was destroying farmland in the Great Plains. Where food was growing, much of it was left to rot in the fields, because it wasn't worth the cost of harvesting.

An Iowa farmer living on the border with South Dakota said that, "in South Dakota, the county elevator listed corn as minus three cents. Minus three cents a bushel. If you wanted to sell 'em a bushel of corn, you had to bring in three cents. They couldn't afford

to handle it."

The levels of poverty in 1933's rural America were unimaginable to us now. The 1933 Farm Bill, which introduced unprecedented government control over agriculture, was a reaction to the specific problems facing producers at that time.

Thankfully, 80 years later, as we write the 2012 Farm Bill, our challenges are different. Agriculture looks different today -- our farmers are using GPS and you can monitor your irrigation systems over the Internet. Commodity prices are at a record high. In 1933, the world's population was just over 2 billion people. Today, there are 7 billion mouths to feed -- many of them depending on American agriculture. And we are also facing very serious deficit and budget pressures, and our country needs to live within its means.

That's why, as we look at the next Farm Bill, we need to make the best use of our limited dollars, and make sure we're using them on programs and policies that work for production agriculture today.

As we begin to write this bill, I'm going to ask members of the Committee and the stakeholders

-- all of you here today -- to focus on principles, not programs. We should start with principles that will guide us as we evaluate what works and what doesn't in today's economy to address the unique challenges facing our farmers today and into the future. Agriculture is much more efficient today than it was 80 years ago, but it's also more expensive, and therefore, more risky. Thirty years ago, it cost about \$80 to plant an acre of corn. Today, it costs nearly \$300 to plant that same acre.

And, as you know, land is also much more expensive. In 1990, the average price for an acre of farmland was close to \$700. Today, that average price is over \$2000 per acre -- but as most of you know, good farmland these days is going for much more than that, with prices in some parts of the country topping \$9,000 an acre.

That is why one of the first principles we need to address for this Farm Bill is creating the most effective safety net and the best tools for managing risk.

We have farmers sinking almost \$300 per acre into the ground in the spring in the hopes that it will produce a valuable crop a few months later. Months of watching the weather, watching the markets, and hoping your investment paid off. Will too much rain or a hailstorm destroy your crop? Will the market bring you the price you need?

2010 was a generally good year, weather-wise, for most producers in the United States. But drought and wildfires in Russia nearly wiped out their wheat crop, causing world prices to jump nearly 70% in less than two months. As any Russian wheat farmer would be happy to tell you -- or a citrus grower in Florida; or a corn grower in Iowa; or a cotton farmer in Texas; or a grape grower in Michigan -farmers plant their crops with high hopes, but it's all subject to the whims of Mother Nature. We need an effective safety net

so that we aren't watching family businesses go under because of a few days of bad weather or other factors outside of your control.

Growers and ranchers are also subject to market based risk and input risk. Input prices fluctuate, commodity prices fluctuate, and American growers are caught in the middle. We also need to continue developing markets overseas and expanding markets, which is another way to manage risk and increase profitability for American products. Ag exports are extremely strong, representing a major trade surplus for the United States and creating jobs -- in fact, the strength of our agricultural exports created nearly one million jobs in America last year.

Growers and ranchers are businessmen and women with a lot of work to do. Anyone who's ever been to a working farm understands that. You do not have the time to fill out a lot of paperwork or to try and understand a myriad of complex -- sometimes conflicting -- programs, much less try to explain them to bankers and landlords. Another principle, then, is creating smarter, simpler, and streamlined programs. We can provide better service to farmers while also reducing their costs and respecting their time.

That's why we want to look at what's working and what's not working, because we cannot afford to operate and manage many different programs that have questionable effectiveness.

And on a side note, I was very pleased to author the successful repeal in the Senate of an onerous new IRS requirement regarding 1099 forms for farmers and businesses. I expect this to pass the House shortly and be signed by the President.

A focus on research and innovation is another critical principle for us to consider when we think about the Farm Bill. I'm a proud Michigan State Spartan, America's first land-grant college. American innovation is the reason we lead the world in agricultural production, and we need to continue increasing efficiencies so we can maintain our competitive advantage. That research also helps us fight off invasive species, pests, and diseases.

In fact, the first hearing of the modern Agriculture Committee, in 1888, examined how to eradicate contagious pleuro-pneumonia in cattle -- and that meeting was chaired, by the way, by the only other Michigan Senator to chair the Committee. Thanks to federal support, through the predecessor of the Agriculture Research Service, that disease was eradicated in this country.

Our farmers and ranchers still face a number of devastating diseases. I've been working on these issues for my entire career -- the first bill I introduced as a member of the U.S. House of Representatives authorized research into wheat and barley scab, a devastating disease for Michigan growers. We need to continue making smart investments in innovation and research to help make agriculture more efficient, more productive, and more profitable.

That also relates to another principle, which is that the Farm Bill must conserve and protect our land and water. Thanks to investments in the Farm Bill, farmers around the country have been able to improve production on their working land. It's helped them be more competitive in the global market -- when there are fewer inputs, there are fewer input costs. It's also allowed landowners to add value to their operations by fostering wildlife habitat on working land.

In Michigan, for example, we've been able to provide public access to over 7,000 acres of working farmland for hunters and sportsmen. Hunting is a multi-billion dollar a year industry, and the Farm Bill can help our farmers and ranchers take advantage of that, while also rebuilding wildlife populations.

Conservation programs can also help farmers and ranchers deal with environmental challenges. But in the short term, we need to sit down with the USDA and the EPA and address the concerns our growers and ranchers have with pending environmental regulations. I've been working on these issues for years, and I know that it's possible to work out common-sense solutions when you have everyone at the table. We are in the process of putting together a working group with the USDA and the EPA on these issues so that we can start having these discussions to provide certainty and clarity for agriculture. And we might need to remind them that country roads can sometimes be a little dusty, and there's not much we can do to change that.

In 1946, President Harry Truman said, "In the long view, no nation is healthier than its children, or more prosperous than its farmers." That's another principle we need to be thinking about. America produces an abundance of safe, nutritious food. As we look at the programs that help feed America, we should make sure that they are effective and being delivered to the people who need them. They also have to work for America's farmers and ranchers, who are our partners in the effort to end hunger in America.

American agriculture is also a partner in the effort for energy independence. Over the years, we've seen how investments in energy through the Farm Bill have been able to add wealth to our communities, creating jobs in manufacturing that support work on the farm. There are tremendous opportunities in bioenergy, including not only ethanol but methane digesters for dairy farmers, cellulosic biofuels from dedicated energy crops or corn stover, and biopower from forest waste

Another important principle is our commitment to invest in rural communities and the next generation. We know that the average American farmer today is 57 years old, which is why we need to be thinking seriously about the next generation of agricultural leaders. Who is going to take over and what do they need to continue the incredible record of efficiency, innovation and production that has been established here in America? How can we continue to make our rural communities attractive places for our sons and daughters to live, work, and raise a family? We need to be supporting America's small towns like my hometown of Clare, Michigan as they work to create vibrant communities, with strong and healthy economies.

Our forest industry is also important to our rural economy, generating over 900,000 jobs nationwide, with over 25,000 jobs in Michigan alone. Our sawmills and paper mills generate over \$1.2 billion in payroll in Michigan. Michigan is blessed with over 19 million acres of forests, including three national forests and one of the best managed State Forest systems in the country.

Finally, and most importantly, I will be guided by the principle that all of you -our producers, ranchers, and processors -know better than anyone else what works for you. One of my favorite quotes is from President Eisenhower, who once said, "Farming looks easy when your plow is a pencil and you're a thousand miles from the corn field."

Throughout the Farm Bill process, I'm eager to hear from you about what works, and what doesn't. We have come a long way from the challenges of the first Farm Bill. Agriculture today is one of the bright spots in our economy. We are feeding the world thanks to American innovation and the hard work of the 16 million men and women who work in our agricultural economy.

As Chair of the Senate Agriculture, Nutrition, and Forestry Committee, I am very committed to a process and an end-product that continues to build on the strengths and successes of today's agriculture and the talents of everyone in this room and across our country.